

Town of Montague, MA • June 2011

Request for
Expressions of
Interest

Strathmore Mill at Turners Falls

Arts * Industry * Opportunity

Montague, Massachusetts
June 9 , 2011



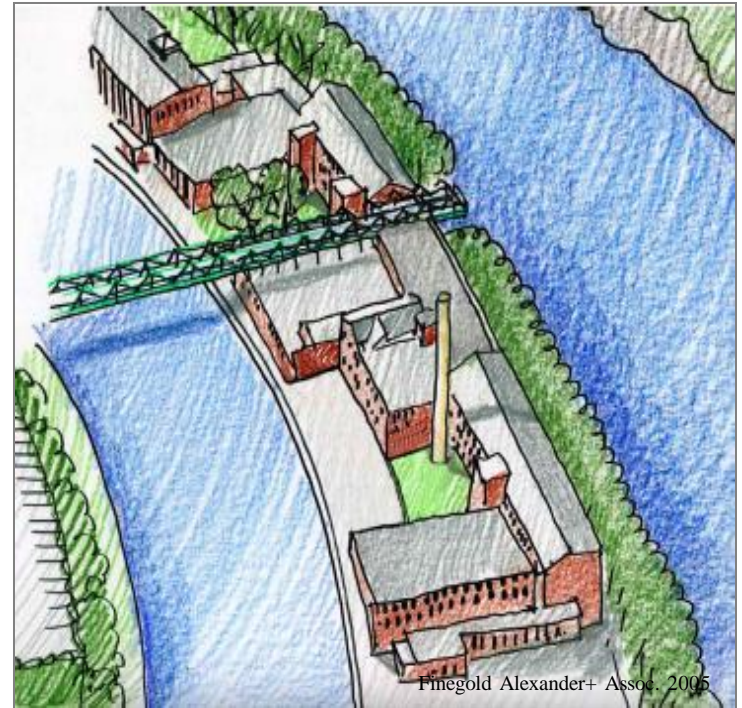
www.strathmoremill.com

Request for Expressions of Interest Strathmore Mill A Redevelopment Opportunity June 9, 2011

Issued by: Town of Montague
Board of Selectmen
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Turners Falls, MA

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The Town of Montague Intends to issue an official Request for Proposals in the Fall of 2011.

To express interest and/or be included on an e-mail listing for project updates, to be notified of the RFP release date or to receive a copy of the formal RFP please contact the above named individuals by September 1, 2011

Table of Contents

- I Project Summary*
- II Building Description and Site Utilities*
- III Project Vision*
- IV Investment and Incentives*

Exhibits:

Available at <http://www.strathmoremill.com> or from the Montague Planning Department

- Strathmore Mill Feasibility Study (2006)
- Strathmore Mill Site Development Assessment (2008)
- Market Assessment: Artists Live-Work Space (2009)
- Strathmore Mill Redevelopment Strategy - a Report from the Urban Land Institute (2011)
- Report on History of Mill Access (2000)
- Environmental Site Assessment (available from Planning Department)
- Debris Pile Opinion of Remediation (2011)
- Traffic /Vehicular Access Options Analysis (2011)

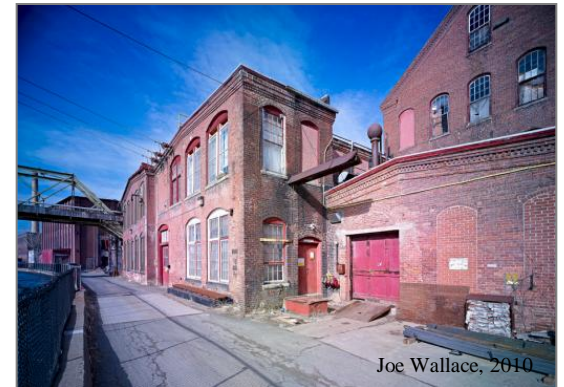
I. Project Summary

The Town of Montague is seeking expressions of interest from development teams or private industries regarding the acquisition and redevelopment of the former Strathmore Mill property in Turners Falls, a village in the Town of Montague . The property is comprised of 10 historic brick buildings on 1.9 acres located along the Connecticut River in the downtown. The Town will entertain proposals that address either a portion of the site or the site in its entirety.

Through an open and public bidding process, pursuant to Massachusetts laws, the Town of Montague will be seeking bids and proposals from developers.



Joe Wallace, 2010



Joe Wallace, 2010

Community Profile

The Strathmore Mill is located in the Town of Montague along the scenic Connecticut River. Montague is made up of five distinct villages, the largest of which is Turners Falls. Aside from housing a majority of the Town's 8,600 residents, the historic village is one of the largest employment and government centers in Franklin County. It is located along Route 2, less than three miles from Interstate 91.

Montague's stretch of the Connecticut retains the beautiful scenery of rural Western Massachusetts. Small farms and old homes dot the countryside throughout the Town. From along Route 2, a dramatic gateway bridge over the Connecticut River provides access to the village with a signalized intersection. Crossing the bridge into town, one is offered both natural and historic views of the downtown, the river, and the Strathmore Mill alongside it.

In Downtown Turners Falls residents and visitors alike frequent the cafes and restaurants. The Great Falls Discovery Center and Hallmark Museum of Contemporary Photography offer interesting exhibits and art shows, while many of the venues offer nightly music for local and touring acts. The Canalside Bike Path, running adjacent to the Strathmore mill was named the "Best Urban Bike Path in New England" in 2010 by Yankee Magazine. In 2011 Turners Falls RiverCulture was awarded a Commonwealth Award for the Creative Community category from the Mass. Cultural Council- thus confirming the renaissance of Turners Falls.



Project Description

The historic qualities, unique location, and dramatic development potential for the Strathmore Mill create an attractive prospect for an innovative development firm or private enterprise. In comparison to similar mill sites, the property is environmentally clean.

In 2010 the Town acquired the Mill, but redevelopment of the mill has been a priority of the Town for 15 years . The Town recognizes that any successful redevelopment effort is likely to require public/private partnerships to address the need for infrastructure improvements. The Town expects to provide the developer assistance in securing funds to address the need for infrastructure improvements such as sewer, water, bridges, access road, parking, etc. The Town has financed a Property Title Search, Parking Study and Bridge Inspection Report in addition to appropriating funds for roof stabilization following a 2007 fire on the property. The Town is committed to facilitating redevelopment of the Strathmore property and will cooperate with the chosen development team to the greatest extent possible. However, redevelopment schemes should not place disproportionate requirements on municipal resources.

Development Context

Zoning: The property is located entirely within a Historic-Industrial zoning district. The district was adopted in 2001 with the intent to encourage the adaptive reuse of historic industrial buildings and sites in Turners Falls.

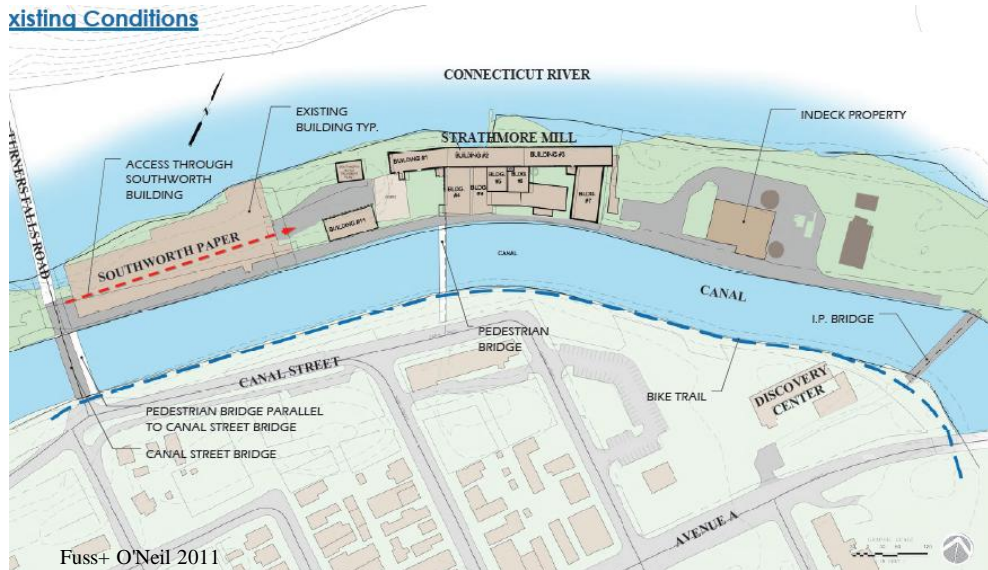
Priority Permitting: The Strathmore Mill was designated a Priority Development Site in December 2007 and offers a streamlined local permitting process adopted under Mass General Law 43D. The purpose of streamlined permitting is to reduce unnecessary delays and create certainty and predictability as well as promote an efficient and timely appeals process. As a Priority Development Site, all permit reviews and final decisions shall be completed within 180 days of a determination that an application is complete.

Site Context

The 1.9 acre site is located at 20 Canal Road in the village of Turners Falls. Adjacent to the downtown business district, the mill is situated in a beautiful setting on an island between the Connecticut River and an active power canal in the Turners Falls National Register Historic District. The opposite bank of the Connecticut River, to the North, is steeply sloped and forested and permanently protected by a conservation restriction. The Canalside Rail trail runs parallel to the site

The property excludes a 821 sq ft parcel and its associated buildings which are owned by Turners Falls Hydro, LLC. The tenant operates a hydro-electric power plant using a historic turbine.

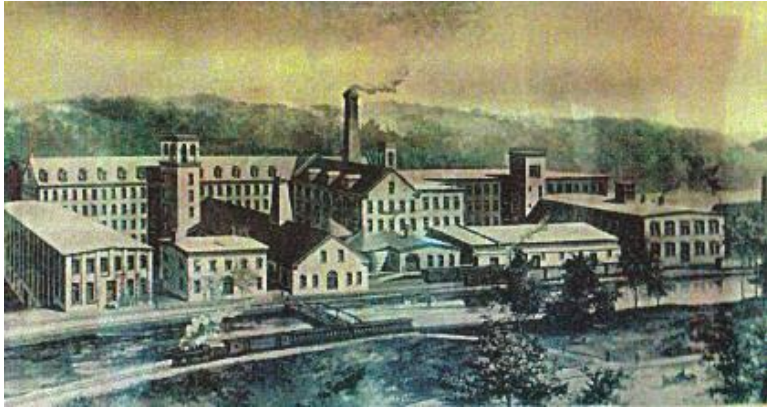
Existing Conditions



Vehicular access is provided by a 12' wide access road and a tunnel under Southworth Paper Company Truck access is provided from the Canal Street Bridge along the access road. There is a loading facility and turn around area at the eastern end of the Strathmore Mill.

Pedestrian access to the mill has traditionally been via a footbridge across the canal. Currently closed, this option for dramatic pedestrian access to the mill remains one of the very positive aspects of this site. Though on-site parking is limited, significant parking is currently or readily available (up to 300 spaces) within reasonable walking distance of the pedestrian bridge.

Mill History



The Strathmore Mill has been an integral element of the economy, history and landscape of downtown Turners Falls for more than 100 years and is one of the few surviving historic mill structures in Turners Falls. The mill was originally built in 1874 by the Keith Paper Company. Over the eighty years that Keith Paper ran the mill, they modernized the facility twice, in 1935 and 1952. In 1953, the Strathmore Paper Company acquired the mill to produce the high quality artist paper that bears its name. Production would continue at the mill for the next forty years.

Since paper production stopped in 1994, the mill has been utilized for a variety of uses, including artist space, light manufacturing and recycled paper storage. In 2007, a fire destroyed building 10. The fire was contained with only two other buildings experiencing minor damage. Later that same year, Preservation Massachusetts listed the Strathmore on its list of the

“ten most endangered historic structures in Massachusetts”.

Also in 2007, ownership of the Strathmore Mill was transferred to the Swift River Group. The developer’s plan was to create a film school, studios, and ancillary uses at the mill, a project which would have taken advantage of film industry tax breaks available in Massachusetts, as well as state and federal historic tax credits. Although the Town of Montague was ultimately forced to take the Strathmore Mill in February of 2010, Swift River did make a contribution to the future of the property. Aside from cleaning up many of the buildings, the former owner commissioned numerous architectural, engineering, and marketing documents.

In recent years, the Town of Montague has made major investments in an effort to get the mill back into productive use. Aside from commissioning numerous feasibility and site assessments, the Town has financed a new roof and converted the fire suppression system from a wet to a dry sprinkler system. This has eliminated the need to heat the buildings during the predevelopment stage.

One of the Town’s redevelopment goals is to preserve the historic character and integrity of the structures and the site. The Town advocates that any redevelopment of the property should conform to the complex’s National Register of Historic Places designation, which would entitle the developer to tax credits.

II. Building Description

The Strathmore Mill consists of 10 buildings, which range in height from two to four stories. The structure has a total floor area of approximately 224,000 square feet, and an overall footprint of 55,000 square feet (not including Swift River Hydro), leaving approximately 30,800 sq ft of open land arranged in small pockets and courtyards around the buildings.

The Strathmore Mill buildings are generally in good condition compared with many similar unused or underutilized mill complexes. Most floors are wide-open spaces with ceilings about 14 ft high; windows are large with 12' over 12' panes mostly intact; there are multiple entrances, elevators, stairways and loading docks. The exterior walls are constructed of brick and the interior floors and roofs are constructed of heavy timber beams, columns and decking, which was typical of early mill construction. The buildings display handsome masonry and are afforded wonderful south facing courtyards. The 10 buildings were constructed between 1874 and 1970, but the majority of the buildings were constructed by 1906. Most heavy machinery has been removed.

A January 2004 Phase I and Phase II Environmental Site Assessment, including soil and groundwater testing, concluded no further remediation is required. An April 2005 Hazardous Materials Survey report documented the presence of asbestos in specific buildings, and a 2007 fire left debris containing asbestos contaminated materials.



Joe Wallace, 2010

Utilities and Infrastructure

Water and Wastewater Systems: The site will be serviced by municipal water and sewer. There is an existing fire suppression water line and storm drains connect to an underground canal formerly used for water power

Electric and Telephone Systems: Strathmore and the Swift River hydroelectric plant are both served by a 13.8 kV power service. Electric service is provided by Western Mass Electric Company. The only live power systems are the fire alarm and sprinkler system. Building 6, the Swift River Hydro building is an exception and has full electricity and telephone access. Broadband is currently available. High Speed Fiber is planned by the MassBroadband Institute.

HVAC: The Strathmore is served by a steam heating system. There is an existing boiler room located in Buildings 5/6, with fuel oil boilers located on the first floor of the building. Natural Gas, which is provided by Berkshire Gas, can be made available from Fifth Street.

Some on-site utilities may need to be replaced to accommodate redevelopment. Please consult the Site Development Assessment available by request through the Montague Office of Planning and Conservation or via the web at <http://www.strathmoremill.com>.

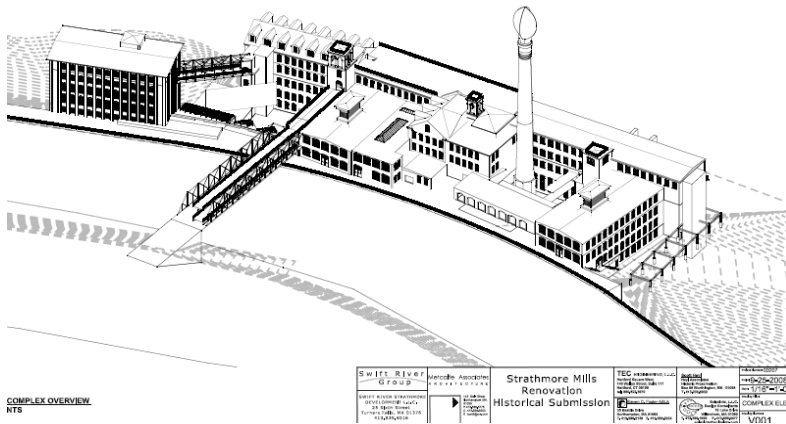


III. Project Vision

The Town seeks the broadest range of redevelopment and reuse concepts for review .The Town seeks to achieve the following public purposes:

- Provide a significant number of permanent skilled jobs
- Complement and stimulate other economic activity in the region in general and in downtown Turners Falls in particular
- Generate revenue for the Town
- Maintain the historic integrity of the Mill property
- Enhance connections between downtown and the river

The Town will welcome proposals that will utilize a portion of the site, the site in its entirety, or plans to incorporate neighboring parcels into master planning.



Preferred Uses

Reuses of the Mill, that the Town sees as desirable include :

- Light manufacturing (technology, emerging industry, green industry, are particularly encouraged)
- Offices and professional use (business incubators are particularly encouraged)
- Performance, cultural, or educational space (classrooms, exhibits, events, conferences, institution)
- Artist studios/working space (with possible accessory low-density residential use)
- Data center

Uses which have in the past expressed interest in locating on the property include: office, business, small manufacturing uses, artist live/work space, and a pedestrian campus for a film institute.

Uses that the Town views as problematic include:

Medium to high density residential use

- Heavy manufacturing that produces or uses noxious fumes, loud noise, or toxic materials
- Uses that require high amounts of vehicular traffic

IV. Investment and Incentives

The project site continues to be, the focus of concentrated capital investment on the part of State and Regional Agencies, and the Town, including:

- \$130,000 for pre-development initiatives through state grants and regional partnerships
- \$300,000 for roof repairs and dry sprinkler conversion through the Town following a 2007 arson fire
- Staff support from the Planning and Conservation Department

Strathmore Mill is included in an approved **Economic Opportunity Area** as part of the **Greater Franklin Economic Target Area** under the Massachusetts Economic Development Incentive Program. Incentives associated with a Target Area include:
Investment Tax Credit - 5% tax credit on the cost of all tangible, depreciable assets depreciated over four to ten years.

Abandoned Building Tax Deduction - 10% tax deduction on costs associated with renovating an abandoned building.

Tax Increment Financing: The Town is willing negotiate a TIF agreement with a flexible formula and terms to match investment schedules. The Town has a history of supporting certified projects that result in a substantial private investment and job creation or retention through TIF.

Historic District Tax Credits: The entire Mill is located within National Historic District. A historic reconstruction design consistent to be eligible for historic tax credits has been completed by Metcalfe Associates & C. Sawyer-Laucanno. In 2007 it was estimated that the credits would be able to cover up to 40% of the reconstruction cost.

New Market Tax Credits: A developer may be able to apply through the Western Mass Enterprise Fund. The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period

Other Potential Public Funding Sources: CDAG, EDA, CDBG, EPA, MASSWORKS, Preservation Project Fund
For additional information please visit the project's website at <http://strathmoremill.com>